Testimony of Ahna S.L. Johnson Before the Energy and Technology Committee

In Support of

H.B. 5410 AAC GAS COMPANIES' COST RECOVERY OF LOST AND UNACCOUNTED FOR GAS H.B. 5409 AAC HYDRAULIC FRACTURING WASTE

Submitted by Ahna S.L. Johnson March 4, 2013

Senator Duff, Representative Reed, and members of the Committee,

Thank you for the opportunity to comment in support of HB 5410, An Act Concerning Gas Companies' Cost Recovery of Lost and Unaccounted for Gas, and HB 5409, An Act Concerning Hydraulic Fracturing Waste. Both bills address problems in the natural gas industry that damage our environment.

HB 5410 seeks to incentivize gas companies to repair pipeline leaks that are allowing methane to escape into our atmosphere. Currently, natural gas distribution companies are allowed to charge customers for the cost of <u>unlimited</u> "lost and unaccounted for gas," much of which is gas that escapes through small leaks throughout the distribution system. Companies are only required to fix leaks that threaten public safety, and since they can recover the cost of leaked gas, they have no incentive to repair non-hazardous leaks. While the very idea of this is quite obviously absurd, it is particularly troubling on two fronts:

- 1. Customers are made to bear the cost of gas they are not using; and
- 2. Methane has truly dangerous global warming potential—it is 56 times stronger than carbon dioxide over a 20-year period and 21 times stronger over a 100-year period.

HB 5410 would address these problems by limiting gas companies' ability to recover the cost of lost gas, redirecting the cost of lost gas away from consumers and back to the gas companies themselves who are, after all, the responsible party. This will give them an incentive to fix leaks which will, over time, cut greenhouse gas emissions and reduce the cost of gas. A similar bill has been in effect in New York State since the 1990s; the New York Public service Commission estimates it saves consumers in that state \$48 million a year.

HB 5409 would classify fracking fluid as hazardous waste, closing a loophole in federal law that's allowed it to remain unregulated. The current state of things which does not admit that fracking fluid is a hazardous waste is another absurdity and allows private gas companies to make Connecticut their dumping ground for this toxic waste. The regulatory approach in HB 5409 and similar bill HB 5308 is a positive step, but not sufficient on its own. It would still allow the fluid to be stored and treated in Connecticut. The complete ban in SB 237, before the Environment Committee, is a more comprehensive solution to protect Connecticut's waters and public health.

Please support both HB 5410 and HB 5409. Thank you for your consideration.

Sincerely,

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